

ROUTING AND RECORD SHEET

OS REGISTRY
*FILE Security 18

SUBJECT: (Optional)

Approved For Release 2004/05/12 : CIA-RDP85T00788R000100060013-4

APEX Industrial Security Manual

FROM: Logistics & Procurement Law Div.
Office of General Counsel

EXTENSION

NO.

OGC 79-03325

DATE

11 April 1979

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Industrial Security Working Group

4/12

13 April 1979

JS

2. [redacted]

C/OPS/PTOS

13 APR 1979

4/13/79

A

3. DD/PTOS

13 APR 1979

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P

4. [redacted]

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1-3: Though late, OGC comments regarding the APEX Industrial Security Manual are not unlike what we have heard from other components especially with regard to the lack of specificity. You may wish to review quickly for your information.

JS
Jerry

FORM 3-52

610

USE PREVIOUS EDITIONS



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OS REGISTRY

OGC 79-03325

FILE Security 18

11 April 1979

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MEMORANDUM FOR:

[REDACTED]
CIA Member, Industrial Security
Manual Working Group

FROM:

Logistics & Procurement Law Division
Office of General Counsel

SUBJECT:

APEX Industrial Security Manual [REDACTED]

25

1. Per your request we have reviewed the proposed APEX Industrial Security Manual. In addition to notations made in the Manual draft, our comments follow:

a. Page 1 - The citations to the National Security Act of 1947 and Executive Orders 12036 and 12065 are informal and should be placed in proper form. The correct citations are as follows: National Security Act of 1947, Pub. L. No. 80-253, 61 Stat. 495, as amended; Executive Order No. 12036, 43 Fed. Reg. 3674 (1978); Executive Order No. 12065, 43 Fed. Reg. 28949 (1978).

b. Page 1 - We are puzzled as to the exact status this Manual will have since it "will serve as the authoritative guide," while, at the same time, the guide, "is not, however, intended to intrude on the authority of government Program Managers who will continue to prescribe basic operational direction, classification guidance and policy on dissemination for programs under their cognizance." Exactly what authority or weight will this guide convey?

c. Page 2 - It is unclear to this Office whether the "personal responsibility" referred to here is meant to infer legal liability or merely

25

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the moral restraint placed upon these individuals to safeguard this information. If legal liability is the intent, this section should be carefully coordinated with this Office prior to publication of the Manual.

d. Page 9, paragraph 3 - Time limits should be added as to when tracers will be sent.

e. Page 10, paragraph 5 - The paragraph fails to state who will receive the reindoctrinations. Clarification is required here.

f. Page 11, paragraph 8 - The term "required reports" is vague and gives no real clue as to what reports are required and by whom.

20 g. Page 13, last paragraph - "Common sense determinations" is a vague term to be using in so sensitive an area as in the granting of exceptions for access privileges.

20 h. Page 14, paragraph c - Who will conduct these investigations? Also, the phrase, "but not limited to," should be added between the words "include" and "birth" so as to not make the list an exclusive listing.

25X1 i. Page 18, paragraph 12 - The spouse or immediate family check discussed here must be examined by Mr. [] Office of General Counsel, to determine if it complies with current law. A copy of the Manual draft has been provided to him for comment.

j. Page 23, paragraph e2. - Same comment as above in paragraph i.

k. Page 26 - We are unclear as to how this Manual interfaces with the newly issued Industrial Security Manual of the Office of Security. Will a copy of this Manual be provided a contractor or potential bidder? Problems in the past have occurred regarding enforcement of security practices when it was learned that the contractor was not given a copy of the particular manual involved.

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SUBJECT: APEX Industrial Security Manual

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l. Page 27, line 7 - In the phrase, "cognizant Agency review," does Agency refer to the CIA? If so, will other Intelligence Community members be required to accept the CIA review? How will an increase in foreign ownership above the five percent mark be discovered?

m. Page 28, line 12 - Should read "or" vice "of."

n. Page 32, paragraph a - Appendix A was not provided.

o. Page 32, paragraph c - Periodic is too vague. Be specific in order to be enforceable.

p. Page 35, line 1 - "May be" is permissive. Suggest "must" be substituted.

q. Page 35, line 11 - The acronym "ACF" is undefined.

r. Page 36, paragraph a, line 2 - Phrase "as soon as possible" is vague. Suggest a minimum time be established in order to be enforceable.

s. Page 36, paragraph a, line 5 - "As a minimum" added to permit reinspections as needed without raising claim of interference. Sentence would read "Reinspections are to be conducted every 18 months as a minimum."

t. Page 38, paragraph a - Delete "sole" as two different persons are empowered to certify.

u. Page 38, paragraph c - Who will provide the necessary support to maintain a Central Access Approval Registry?

v. Page 42, paragraph c - Who will exercise final review and resolve these challenges?

w. Page 49, paragraph f - Delete "As soon as possible" as such language is precatory. Suggest a time limit be defined to make it enforceable.

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SUBJECT: APEX Industrial Security Manual [redacted]

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x. Page 56, paragraph a, line 9 - Delete "in
timely fashion" as it is precatory. Establish a
time limit. [redacted]

2. If you require clarification of the above comments
or wish further review of the Manual by this Office, please do
not hesitate to contact us. [redacted]

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[redacted]
Assistant General Counsel

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Att.
Manual

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cc: [redacted] Special Asst., OGC

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d. None of the provisions of this Manual may be waived without prior written approval of the Contracting Officer's Security Representative. Even emergency telephonic waivers such as to meet unforeseen Contractor Courier requirements under the Two Person Rule, shall later be confirmed in writing. [No waiver shall extend beyond one year without written Contractor Rejustification and written Customer revalidation. (See also paragraph 10. d. waiver provisions.) Contractor deviations from the provisions of this Manual which do not have written Customer Approval will be considered in the Customer's assessment of contract performance during contract award fee determinations.

d. This paragraph has been added to insure that Headquarters is kept aware of and has approved any deviation from the provisions of the Manual. The "sunset clause" is included at the request of the DD/PTOS. Paragraph 10. d. in the new Manual discusses waivers for open storage, and points out that they are time-limited too. The sentence concerning possible sanctions during award fee determinations is our approach to putting some teeth into contractual security requirements.

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SECURITY VIOLATION. Any breach of security regulations, requirements, procedures or guides by an individual which subjects classified or sensitive material or information to compromise to unauthorized persons, or which places it in jeopardy where a compromise could result, constitutes a security violation. Such a breach includes both acts of omission such as failure to properly secure classified or sensitive material, and acts of commission such as discussion of classified or sensitive information over nonsecure telephone circuits. The information and materials referred to in this definition comprise classified materials and those materials and information which are sensitive because they involve intelligence sources and methods.

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55

b. Badges and identification cards indicating authorized access to restricted areas shall be rigidly controlled and accounted for by the contractor by use of badge stock utilizing a preprinted, consecutive or coded numbering system. In addition, badge blanks and related badging materials shall also be securely controlled and stored.

c. Where a badge system is used, the Contractor will ensure that a badge check is conducted on all personnel entering and exiting Customer-dedicated contractor facilities (facilities used exclusively by the Customer).

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57

d. The Contractor shall maintain logs
identifying all personnel entering and leaving
Contractor buildings and restricted areas
wherein Customer related activities are con-
ducted specifically during nonworking hours
and other periods deemed appropriate by the Con-
tracting Officer's Security Representative
and/or Contractor. These logs should be
scrutinized regularly for suspicious anomalies
and should be retained a minimum of five years
or until such time as otherwise specifically
agreed upon between the Customer and Contractor.

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8. RECEIPTS FOR CLASSIFIED DOCUMENTS

a. A duplicate copy of all receipts for Customer classified documents sent to the Customer by the Contractor or sent from one Customer Contractor to another Customer Contractor or subcontractor shall be retained in a suspense file until the signed copy is returned. A suspense date not to exceed 20 working days shall be established, and follow-up action shall be initiated by the originator if the signed receipt is not received within that time. In addition, the Contractor shall ensure that any classified documents or material which he receives either from the Customer or from another Customer Contractor or subcontractor are receipted for immediately, and that the receipt is returned to the sender within 20 working days. Follow-up action will be required if that time is exceeded.

76
This paragraph has been added to make this Manual consistent with the ☐ Manual, by including the 20 working days' suspense requirement for document and materials tracer action.

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98

b. Destruction of classified documents and

d. Destruction of classified documents and

This paragraph has been expanded to require that the destruction of all classified materials be witnessed and that the signatures of the destroyer and the witness be entered into the Document Control Log. We have also added the requirement that the persons performing the destruction remain at the site as specified.

action is contrary to local ordinances or would involve safety hazards, advice should be requested from the Contracting Officer's Security Representative. Destruction may be performed only by persons holding appropriate Industrial Security Approvals granted by the Agency. Although certificates of destruction are not required, the date and initials of the destroyer must be noted in the log when CONFIDENTIAL or SECRET documents are destroyed. Two signatures are required in the log to certify the destruction of TOP SECRET material.

by the Customer. When such action is contrary to local ordinances or would involve safety hazards, advice should be requested from the Contracting Officer's Security Representative. Destruction may be performed only by persons holding appropriate Industrial Security Approvals granted by the Customer. Although certificates of destruction are not required, the date and signatures of the destroyer and a witness to the destruction are required in the log to certify the destruction of CONFIDENTIAL, SECRET, and TOP SECRET material.

The persons performing the destruction of classified materials shall remain at the destruction site until the destruction is complete and a determination has been made that the material cannot be reconstituted.

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29

12. REPORTING SECURITY VIOLATIONS

All security violations, as defined in paragraph 3 of this Manual, are to be reported by the Contractor's Security Representative to the Contracting Officer's Security Representative. In cases involving Communications Security matters, and in cases where other serious compromise of classified information is believed to have occurred, an initial telephonic report (unclassified in content) shall be made by the Contractor to the Customer. In such cases, where the Contractor has an encrypted communications link with the Customer, a report by wire shall also be provided the Customer. In every case, the Contractor shall complete and forward to the cognizant Customer Security Officer a Security Violation Report Form for Customer files.

This is a new paragraph containing the requirements for reporting of security violations. It will be included in all the manuals.

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108

e. The Contractor shall ensure that the combinations of approved security containers, Vaults, Secure Areas, Alarm Protection Devices and other approved security locking devices using combinations shall be set upon initial installation, and shall be changed every six months. They shall also be changed whenever personnel having knowledge of the combinations are transferred or terminated, or upon compromise of any combination. Each combination must be randomly chosen. The contractor shall maintain combinations for security containers on two separate lists or cards, both classified at the highest level of the material which is protected. One list or card will contain the combination and a list or card identification number. The other list or card will contain the same list or card identification number, location of the container, custodian, and combination change date. Each list or card is to be stored in the control drawer of a separate

GSA-approved security container, or in two
independently controlled drawers of the same
GSA-approved security container. Control of the
combinations is to be vested in the highest
level of the Contractor's Security Staff having
responsibility for the protection of the con-
tract. Combinations shall be disclosed only to,
and changed by, persons holding appropriate
Industrial Security Approvals from the Customer.
Combinations must not be recorded on telephone
list finders, calendar pads, or in other non-
secure places.

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117

1. The Contractor shall ensure that
Customer classified documents, material and
equipment, when in use, are constantly under the
control of appropriately approved and briefed
personnel, and when not in use, are stored in a
manner approved by the Contracting Officer's
Security Representative. Where determined
applicable by the cognizant Headquarters Secu-
rity Officer, the "Two-Person Rule" shall be.
enforced.

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n. The Contractor shall make every effort to ensure that all document reproduction equipment utilized on Customer-related efforts is placed in an area under constant supervision of appropriately approved contractor personnel or the area housing the equipment or the equipment itself is protected with an approved electronic/mechanical personnel access control device to provide positive user control. Also, all document reproduction equipment must be operated to ensure that classified documents are reproduced only to the extent absolutely necessary, and that reproduced documents are properly entered, as required, into the appropriate document logs. Holdings of Customer's classified materials in the Contractor's custody must be kept at all times to the absolute minimum required to perform the contract. Strict discipline shall be exercised in the production and dissemination of such materials.

o. The Contractor shall ensure that any
irregularity in normal time frame for transit
of any courier route is investigated immediately
and reported to the Contracting Officer's
Security Representative.

g. The Contractor shall ensure that under
~~no circumstances is the Two Person Rule initiated~~
~~orally waived by the Contractor. Any Exception~~
~~to the Two Person Rule policy must be granted in~~
~~advance and confirmed in writing by the Con-~~
~~tracting Officer's Security Representative.~~

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123

r. The Contractor, where not prohibited by law, and where consistent with other Customer security requirements, shall consider conducting periodic unannounced package and briefcase inspections of all personnel both exiting and entering Contractor facilities in which Customer activities are being conducted.

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127

u. The Contractor shall initiate and then maintain a program to ensure that key positions such as communicator, document control clerk and courier are staffed by employees of proven maturity and stability. These duties are not considered secondary to other responsibilities, and every effort must be made to assign to those positions people who have an aptitude for such work. To the extent feasible these functions should be assigned to separate personnel.

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128

v. The Contractor shall periodically have
each supervisor interview his or her subordi-
nates to reinforce security consciousness and to
surface potential security problems. Any
problems discerned which are considered to have
a potential impact upon security shall be
brought immediately to the attention of the
Contracting Officer's Security Representative.

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128

v. The Contractor shall periodically have
each supervisor interview his or her subordi-
nates to reinforce security consciousness and to
surface potential security problems. Any
problems discerned which are considered to have
a potential impact upon security shall be
brought immediately to the attention of the
Contracting Officer's Security Representative.

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129

v. The Contractor shall ensure that Contractor security managers develop and implement a program of close rapport and tight supervision over contractor communicators, document control and/or storage clerks, couriers and other personnel the Contractor or Contracting Officer's Security Representative may designate as occupying sensitive positions. Periodic counselling, informal job oriented discussions and close attention to the employee's daily duties and job-related activities are recommended in the development of the Contractor's security program.

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130

x. The Contractor shall ensure that
Contractor employees are reminded of their
personal responsibility not to disclose classi-
fied information in any future employment
applications or personal resumes.

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20

TWO-PERSON RULE. The requirement that the Contractor have at least two properly approved and briefed persons present within any Customer-related Contractor-operated Communications Center and, when designated by the Customer, within a registry-type facility or any other area so designated, when those facilities are either being opened, occupied, or being closed.

To the extent practicable, personnel shall be rotated so that the same two individuals are not scheduled for coverage on a continuing basis.

TWO-PERSON RULE. We recognize that this definition is a change from a previously coordinated position. We have changed the definition on the assumption that Two-Person Rule costs will be borne by the sponsoring office in accordance with Recommendation #12 of the Industrial Security Interim Report as approved by the DCI. Recommendation #12 was "That the necessary staff realignment and augmentation be approved and that added contractor costs be absorbed by the sponsoring office." (Emphasis added.)

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With respect to Contractor Couriers, the Two-Person-Rule also applies to the movement of TOP SECRET classified materials, and when designated by the Customer, to SECRET and CONFIDENTIAL materials.

*In determining a designated area, the Customer shall take into consideration the sensitivity and/or volume of the material being stored and, as appropriate, the sensitivity of an activity being conducted in a given area. As a general practice, the Two-Person Rule shall be applied to document storage areas, equipment fabrication/assembly areas, document reproduction areas and any other areas determined applicable because of the sensitivity/volume of the material being stored or sensitivity of activity conducted therein.

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32

The contractor shall ensure that appropriate logs are maintained to reflect that the Two-Person Rule has actually been enforced at all locations where it is applicable. The logs shall be designed to reflect who the two parties to the Two-Person Rule were at any given time an area or piece of storage equipment was being opened, was in use, or was being closed.

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